

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7210

BILL NUMBER: HB 1212

NOTE PREPARED: Feb 2, 2004

BILL AMENDED: Feb 2, 2004

SUBJECT: Net Metering for Alternate Energy Facilities.

FIRST AUTHOR: Rep. Dvorak

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires the Indiana Utility Regulatory Commission to adopt rules implementing a net metering program and to report the Commission's progress to the Legislative Council.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) The bill will require the IURC to promulgate rules to implement a net metering program for electric generating facilities capable of producing up to 2 megawatts of electric. The IURC is required to begin the rulemaking procedure by June 1, 2004. Prior to November 1, 2004, the Commission is required to report to the Regulatory Flexibility Committee on its progress in developing the rules.

The administrative impact of this provision is expected to be covered using the IURC's existing staff and resources.

Background on IURC and Office of the Utility Consumer Counselor (OUCC) Funding: The operating budgets of the IURC and OUCC are funded by regulated utilities operating in Indiana. The IURC determines the rate at which to bill the utilities based on the two agencies' budgets, less reversions, divided by the total amount of gross intra-state operating revenue received by the regulated utilities for the previous fiscal year. Based on this formula, utilities are currently billed approximately 0.10% of their gross intra-state operating revenues to fund the IURC and OUCC. In FY 2003, fees from the utilities and fines generated approximately \$10.9M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Utility Regulatory Commission; Legislative Council.

Local Agencies Affected:

Information Sources: IURC's Distributed Resources Workgroup, www.in.gov/iurc/utilities/energy/drw/drw_index.html

Fiscal Analyst: John Parkey, 317-232-9854.